

**EUROPEAN COMMUNITY
EUROPEAN ATOMIC ENERGY COMMUNITY**

**FINANCIAL INFORMATION
ON THE
EUROPEAN DEVELOPMENT FUNDS**

Document annexed to the draft budget for 2005

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Introduction

This document is to be annexed to the draft budget for 2005, in accordance with the 1979 agreements on budgetary procedure.

Article 8(3) of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund¹ (EDF) requires the Commission to make this document available to the Council by 15 June, stipulating that this information serves as a basis for an interim estimate of commitments and payments.

As in previous years, this document shows:

- EDF implementation at 31 December 2003;
- financial implementation forecasts for the current year (2004);
- expenditure forecasts for 2005.

Since the entry into force of the 9th EDF, the Member States have made direct contributions to the European Investment Bank (EIB) for the 9th EDF instruments it manages (the Investment Facility and interest-rate subsidies), while contributions for the old instruments managed by the EIB (risk capital and interest-rate subsidies) continue to go through the Commission. This communication therefore draws a clear distinction between EIB payments under the 9th EDF and Commission payments (including payments under old instruments managed by the EIB).

In accordance with Article 38 of the Financial Regulation, this communication is accompanied by a proposal for a Council Decision on the second tranche of contributions to be paid by the Member States for 2004.

Further details on implementation of the EDF at 31 December 2003 will be given in the forthcoming Commission communication to the Court of Auditors, the European Parliament and the Council containing the balance sheets and accounts of the EDF for 2003.

¹ OJ L 83, 1.4.2003, p. 1.

Summary

For each ACP country¹ and OCT², the Commission has updated its commitment and payment forecasts for 2004 and 2005. As in 2003, the Commission has taken great care when estimating payments in order to minimise the risk that Member States might earmark too great an amount in their national budgets. As in the past, these estimates will be reviewed in October's communication.

The EIB has also updated its forecasts for instruments of both the 9th EDF and previous Funds. The full figures are set out in this communication.

Commitments

Though the Commission and the EIB implemented a great volume of new commitments in **2003** (EUR 4 127 million), far exceeding the target figure of EUR 3 200 million, the November 2003 forecast for **2004** has been raised slightly (from EUR 3 275 million to EUR 3 350 million). The new forecasts are EUR 500 million for the EIB (up EUR 50 million) and EUR 2 850 million for the Commission (up EUR 25 million). Of the Commission's EUR 2 850 million, EUR 250 million is earmarked for support for the new Peace Facility for Africa.

Initial estimates for **2005** suggest that commitments will remain relatively high, at EUR 3 420 million.

The sums set out above for 2004 and 2005, EUR 75 million and EUR 225 million respectively, are provisional figures for the new Water Facility. The Commission stresses that work is still getting under way and that these figures should be viewed with caution.

¹ African, Caribbean and Pacific States.

² Overseas Countries and Territories.

Payments

In **2003** payments totalled EUR 2 431 million (EUR 2 427 million for the Commission and EUR 4 million for the EIB), which is the highest they have ever been since co-operation agreements and conventions with the ACP countries and OCTs began. Though the Commission achieved its objective (EUR 2 430 million), there have been delays in the EIB's implementation of the new Investment Facility (of the forecast EUR 70 million, only EUR 4 million has been implemented). Indeed, the Commission could have disbursed another EUR 270 million if it had had sufficient financial resources. This sum was paid at the start of 2004.

For **2004** the EIB has revised payments downwards (from EUR 260 million to EUR 168 million), but this reduction is more than offset by the upwards revision of payments to be made by the Commission (EUR 2 455 million, compared with the EUR 2 240 million estimated in November 2003). Total payments by the two institutions are now estimated at EUR 2 623 million, compared with the estimate of EUR 2 500 million made in the November 2003 communication. These figures are based on the assumption that 2004 will see only limited payments from the Water Facility (a lump sum of EUR 10 million has been earmarked to cover start-up payments for the Facility).

Initial estimates put the total for **2005** at EUR 2 975 million, EUR 240 million of it for the EIB (9th EDF instruments), EUR 2 585 million for traditional instruments managed by the Commission and EUR 150 million provisionally earmarked for the Water Facility. As for the Peace Facility, the Commission has yet to make any allocations for 2004 because there is still no sign of practical operations.

Calls for contributions in 2004

Though the total volume of payments in 2004 has been revised upwards, **this increased volume can currently be implemented without increasing the overall volume of contributions** to be paid by the Member States in 2004 (EUR 2 440 million). There are two reasons for this: (i) the EIB ended 2003 with a relatively large amount of unused financial resources, so reducing needs for 2004, and (ii) the Commission revised its cash position at the end of 2004 downwards. Maintaining the overall level of contributions set out in the communication of November 2003 should cover the current estimated needs of both the EIB (in view of the reserves built up at the end of 2003) and the Commission (see table in 2.5). If payment forecasts hold good, the EIB's needs in 2004 will be covered by the first tranche already received. The Commission is asking the Member States to pay EUR 1 100 million for the second 2004 tranche and the balance (EUR 490 million) for the final 2004 tranche.

The proposal for a Council Decision on the second tranche of the contributions is being submitted to the Council along with this communication. As regards the final tranche, the Commission and the EIB will reassess the situation in October and, if need be, adjust their position in the light of developments.

The future

The Commission and the EIB renew their pledge to do everything they can to commit the funds made available by the Cotonou Agreement (including the balances remaining from the 6th, 7th and 8th EDFs transferred to the 9th EDF) by the end of 2007. This, however, presupposes that the political situation in all ACP countries is such that the conditions required for disbursing the funds are met. The co-operation agreements (Lomé and Cotonou) are rooted in the principle of partnership between the Union and the ACP countries, which means that implementation of the EDF depends on the absorption capacity (political stability, quality of governance, etc.) of the ACP countries. As regards the budget aid (structural adjustment programmes and the HIPC debt-relief instrument) which accounts for a growing proportion of aid, payments are conditional on the ACP countries' compliance with certain macroeconomic conditions. Last but not least, utilisation of funds provided by the Cotonou Agreement will also depend on the results of any reallocation of funds following the mid-term and final reviews scheduled for 2004 and 2006 respectively.

Revision of the November 2003 estimates of commitments and payments

EUR million

	2003		2004		2005	
	November 2003 communication	Revised figure	November 2003 communication	Revised figure	November 2003 communication	Revised figure
COMMITMENTS						
Traditional Commission instruments ¹	2 855	3 761	2 825	2 525		2 650
Peace Facility	-	-	-	250	-	-
Water Facility	-	-	-	75	-	225
Total for the Commission	2 855	3 761	2 825	2 850		2 875
9th EDF EIB instruments	345	366	450	500		545
TOTAL	3 200	4 127	3 275	3 350	4 350	3 420
PAYMENTS						
Traditional Commission instruments	2 212	2 192	2 070	2 275		2 500
Old EIB instruments	218	235	170	170		85
Peace Facility	-	-	-	-		-
Water Facility	-	-	-	10		150
Total for the Commission	2 430	2 427	2 240	2 455		2 735
9th EDF EIB instruments	70	4	260	168		240
TOTAL	2 500	2 431	2 500	2 623	2 875	2 975

¹ Including old EIB instruments for 2003. There are no more commitments under these instruments as of 2004.

1. IMPLEMENTATION OF THE EUROPEAN DEVELOPMENT FUNDS AT 31 DECEMBER 2003

1.1. Historical background¹

The table in Annex 1 provides consolidated figures for the 6th, 7th, 8th and 9th EDFs for the ACP countries and OCTs at 31 December 2003. Allocations² for the 6th, 7th and 8th EDFs totalled EUR 32 813 million, of which EUR 30 161 million (92%) had been committed. Of the sum committed, EUR 23 436 million (78%) had been paid.

Following the entry into force of the Cotonou Agreement and in accordance with Article 133 of the 9th EDF Financial Regulation, the Commission transferred uncommitted resources from the old EDFs – a total of EUR 2 684 million - to the 9th EDF. Most of these resources were transferred to national indicative programmes, regional indicative programmes and intra-ACP co-operation.

The table below sets out the position of the 9th EDF at 31 December 2003. With the transfers, the total amount available to the Commission and the EIB at the end of the year was EUR 15 493 million³. Of this amount, about EUR 3 522 million⁴ was committed in 2003, leaving a total of EUR 11 970 million still available.

¹ The allocations referred to in this chapter do not include the conditional envelope of EUR 1000 million.

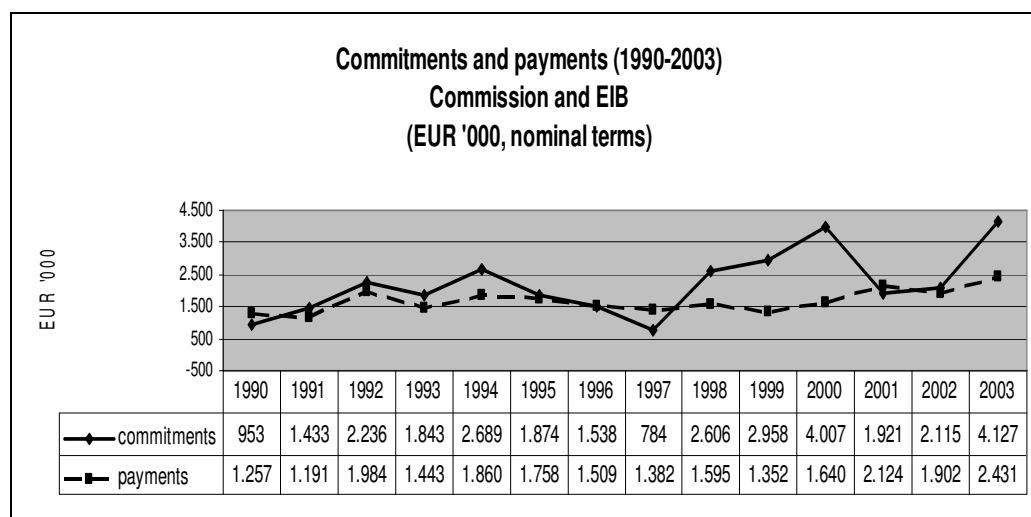
² Before remaining balances were transferred to the 9th EDF.

³ Transfer of EUR 2 684 million + the 9th EDF envelope (EUR 12 800 million, not counting the conditional EUR 1 000 million) + interest of EUR 9 million.

⁴ Net sums (after deduction of decommitments).

9th EDF (including transfers from earlier EDFs)	Allocations	Commitments	Still to be committed
National and OCT allocations	10 353 483 544	2 064 059 870	8 289 423 674
CDE ¹ , CTA ² and JPA ³	64 899 000	37 878 000	27 021 000
<i>Long-term development reserve</i>	<i>294 761 843</i>	<i>0</i>	<i>294 761 843</i>
Intra-ACP co-operation	1 435 707 733	759 798 156	675 909 577
Other regional co-operation	939 989 549	169 055 476	770 934 073
<i>Regional co-operation reserve</i>	<i>0</i>	<i>0</i>	<i>0</i>
Studies and TA ⁴ for OCTs	2 000 000	652 157	1 347 843
Costs of implementation	125 000 000	125 000 000	0
Miscellaneous revenue	32 216 776	0	32 216 776
Subtotal for the Commission	13 248 058 445	3 156 443 659	10 091 614 786
<i>PM: Funds managed by the EIB</i>			0,00
- <i>Interest-rate subsidies</i>	<i>187 850 000</i>	<i>0</i>	<i>187 850 000</i>
- <i>Investment Facility</i>	<i>2 057 000 000</i>	<i>366 000 000</i>	<i>1 691 000 000</i>
Subtotal for the EIB	2 244 850 000	366 000 000	1 878 850 000
Total for the 9th EDF	15 492 908 445	3 522 443 659	11 970 464 786

The following chart shows the trend in commitments (before decommitment) and payments (before recovery). Since 1990 decisions have averaged about EUR 2 220 million and payments EUR 1 675 million.



- 1 Centre for the Development of Enterprise.
- 2 Technical Centre for Agricultural and Rural Development.
- 3 Joint Parliamentary Assembly.
- 4 Technical assistance.

1.2. Implementation of the EDFs in 2003

In terms both of commitments and payments, the EDF's performance in 2003 was the best since co-operation agreements and conventions with the ACP countries first began.

1.2.1. Commitments

In 2003 the Commission's new commitments totalled EUR 3 761 million. The EIB, which manages 9th EDF resources for the new Investment Facility and interest-rate subsidies autonomously, committed EUR 366 million. This makes a total of EUR 4 127 million. The only other year in which such figures were achieved was 2000 (EUR 4 007 million). However, the level of EDF commitments has to be seen in its historic context. With the entry into force of the Cotonou Agreement, 2003 marked the start of a new commitment cycle.

Commitments under the 6th, 7th and 8th EDFs were relatively limited. They respectively amounted to EUR 25 million, EUR 102 million and EUR 447 million, a total of EUR 574 million. Note that commitments under previous EDFs ceased to be authorised when the Cotonou Agreement came into force on 1 April 2003. The remaining balances were transferred to the 9th EDF. So it is obvious that the lion's share, a total of EUR 3 186 million, was committed under the 9th EDF. The A envelopes (macroeconomic support, sectoral policies, etc.) accounted for EUR 1 844 million or 58%.

The Commission decommitted some EUR 365 million, resulting in net commitments of EUR 3 396 million from Commission-managed EDF resources.

1.2.2. Payments

The Commission paid out EUR 2 236 million. It also made a Stabex transfer of EUR 191 million to a secure account opened for Sudan, taking total payments to EUR 2 427 million.¹ The EIB, for its part, disbursed EUR 4 million from the Investment Facility, making a total of EUR 2 431 million for the two institutions.

Payments (including the abovementioned transfer) by the Commission in 2003 constituted an EDF record. They exceed payments in 2001 by 14% (EUR 2 124 million, the previous EDF record) and payments in 2002 by 28% (EUR 1 902 million).

The Commission's self-imposed objective for 2003 was EUR 2 430 million (EUR 2 500 million minus the EUR 70 million earmarked for the EIB for the Investment Facility). The Commission therefore achieved its objective. However, with payments of the order of EUR 4 million, the EIB failed to achieve the forecast levels (EUR 70 million) owing to signing delays in 2003.

Note that a shortage of funds obliged the Commission to carry over the payment of about EUR 270 million to the start of 2004. However, EUR 170 million was paid to the Global Fund to fight HIV/AIDS, tuberculosis and malaria in December 2003.

Whereas the lion's share of commitments were made under the 9th EDF, the bulk of payments in 2003, which marked the beginning of a new EDF cycle, quite naturally concerned previous EDFs (EUR 68 million, EUR 396 million and EUR 1 494 million under the 6th, 7th and 8th EDFs respectively, compared with EUR 278 million from the new 9th EDF).

¹ The Stabex transfer to a special account is not a payment in accounting terms. However, this figure has been included in past reports. For the sake of consistency with earlier reports, the Commission has opted to continue adding up payments and transfers for 2003. The Stabex transfer was practically the last to be made under this old instrument.

The Commission recovered some EUR 56 million, resulting in net payments of EUR 2 370 million from Commission-managed EDF resources.

1.2.3. Breakdown of commitments and payments by instrument

For information purposes, the following table breaks down spending by instrument for the years 2002 and 2003.

EUR million

	2002		2003	
	Commitments	Payments	Commitments	Payments
PROGRAMMES MANAGED BY THE COMMISSION				
<u>Indicative programmes</u>				
Grants	835.2	973.8	213.2	1 073.0
Special loans		0.6		0.0
Total	835.2	974.3	213.2	1 073.0
<u>Excluding indicative programmes</u>				
Interest-rate subsidies	16.5	18.5	13.6	8.5
Emergency aid	17.5	18.0	2.3	6.4
Aid for refugees	51.8	19.4		32.1
Risk capital	219.6	187.7	240.3	226.6
Mining products		87.4	2.5	40.3
Stabex		1.6		191.0 ¹
Structural adjustment facility	109.3	289.3	5.0	174.5
Debt relief (HIPC)	60.0	180.0		209.0
Transfer from other funds	6.7	27.2	3.0	17.8
Use of interest	5.0	1.3	11.5	7.7
Studies and technical assistance for OCTs		0.0	0.7	0.3
Total	486.4	830.5	278.8	914.1

¹ See preceding footnote.

	2002		2003	
	Commitments	Payments	Commitments	Payments
<u>9th EDF and transitional measures</u>				
Envelope A	477.9	84.7	1 918.5	162.9
Envelope B	255.0	13.0	220.3	44.8
Regional projects			177.6	1.6
Intra-ACP projects (Cotonou)	60.0		759.8	230.4
Costs of implementation			154.8	
Other			37.9	
Total	792.9	97.7	3 268.8	439.6
Total managed by the Commission	2 114.5	1 902.5	3 760.8	2 426.7
PROGRAMMES MANAGED BY THE EIB (9th EDF)				
Investment Facility			366.2	4.0
TOTAL FOR THE EDF	2 114.5	1 902.5	4 127.0	2 430.7

1.2.4. Financial operations in 2003

The table below gives the start-of-year and end-of-year balances for 2003, the Member States' contributions to the EDF and payments. Note that the Commission ended 2003 with a cash balance of EUR 82 million on its current account. This is markedly lower than in previous years and shows that the Commission is doing everything it can to use the financial resources placed at its disposal by the Member States efficiently. Though the Member States had paid only EUR 72 million of the EUR 80 million requested, the EIB, however, ended the year with a cash surplus of EUR 68 million owing to the overestimation of needs for the first year of the Investment Facility's implementation.

	COMMISSION		EIB (9th EDF)	TOTAL
	Current expenditure	Stabex		
Balance at 1 January 2003¹	230.1	210.8		440.9
2003 contributions paid before 31 December 2003	2 024.2		71.5	2 095.7
2004 contributions paid before 31 December 2003	1.4			1.4
Interest/Other	6.1	2.4		8.5
Recoveries	56.2			
Payments/transfer	- 2 235.8	- 191.0	- 4.0	- 2 430.9
Balance at 31 December 2003	82.3	22.2	67.5	171.9

2. FINANCIAL IMPLEMENTATION FORECASTS FOR 2004 AND 2005

2.1. Overall outlook for implementation of the EDF

The Commission renews its pledge to do everything it can to mobilise the funds made available by the Cotonou Agreement (including the balances remaining from the 6th, 7th and 8th EDFs transferred to the 9th EDF) by the end of 2007. It is clear that achievement of this objective is not up to the Commission alone. Indeed, the very nature of the co-operation agreements (Lomé and Cotonou), namely the fact that they are based on partnership, means that the rate at which the EDF is implemented will depend on the absorption capacity of the ACP countries (sufficiently stable political situation, basic governance, etc). Although the Commission endeavours to give national authorising officers as much technical assistance as possible, it cannot actually take the place of the ACP country. Another determining factor will be the reallocation of funds scheduled to take place when the mid-term review is carried out in 2004 and the final review in 2006.

¹ Minus EUR 88.45 million in contributions for 2003 paid before 1 January 2003.

2.2. Commitments

2.2.1. 2004

Reminder

In the communication of November 2003¹ the Commission and the EIB estimated total commitments in 2004 at EUR 3 275 million, broken down as follows:

- EUR 450 million for the instruments managed by the EIB under the 9th EDF, and
- EUR 2 825 million for the instruments managed by the Commission (including old EIB instruments).

These figures did not take account of the possible mobilisation of the conditional resources (EUR 1000 million) referred to in Article 2(2) of the Internal Agreement on the financing and administration of Community aid signed in Brussels on 18 September 2000.²

Position at 30 April 2004

- By the end of April the EIB had committed a total of EUR 60 million from the Investment Facility (and no 9th EDF interest-rate subsidies).

¹ COM(2003) 720 final, 21.11.2003. EDF: Estimate of decisions, payments and contributions to be paid by the Member States for 2003 and 2004 and forecast of decisions and payments for the period 2005 to 2008.

² OJ L 317, 15.12.2000, p. 355.

- Commitments from instruments managed by the Commission stood at EUR 526 million. Note that the commitment procedure is such that a large number of pending commitments accumulate in the first half of the year. Most are projects in the course of adoption by the Commission, which require consultation of the Member States. At the start of April this volume stood at EUR 768 million. The total therefore rises to EUR 1 294 million (final amounts and those pending adoption).

Outlook for implementation to the end of 2004

- The EIB is increasing its forecast for 2004 from EUR 450 million to EUR 500 million (up EUR 50 million). Of this EUR 500 million, EUR 450 million is earmarked for the Investment Facility and the remaining EUR 50 million for operations eligible for interest-rate subsidies.
- For the Commission, the new estimates for the year 2004, made in the first quarter of the year in close co-operation with central and local departments in the various ACP countries, put the total for the year at EUR 2 850 million. This is slightly (EUR 25 million) higher than last November's estimate. The mobilisation rate for the Water Facility, adopted by the Council in March 2004, remains uncertain. At this point the Commission's estimate for 2004 is EUR 75 million. The position will be reassessed in the October 2004 communication.

Though the Commission far exceeded its estimates in 2003 (implementing EUR 3 761 million rather than the forecast EUR 2 855 million), this performance will not adversely affect the volume of commitments forecast for 2004.

- In total, the revised level of commitments is EUR 3 350 million (up EUR 75 million), EUR 500 million of them for the EIB (up EUR 50 million) and EUR 2 850 million for the Commission (up EUR 25 million).

2.2.2. 2005

Whereas the Commission, in its November 2003 communication, based its forecasts for 2005 on the commitment cycle observed in previous EDFs, it has now based its forecasts on real projects. Tentatively assuming that EUR 225 million are committed from the Water Facility, forecast commitments are EUR 2 875 million. As regards the new instruments managed by the EIB, the Bank reckons that it will be able to commit EUR 545 million. Commitments for the Commission and the EIB would therefore total EUR 3 420 million (EUR 2 875 million plus EUR 545 million). Maintaining this relatively high level reflects the pledge made by the Commission and the EIB to mobilise all the sums made available by the Cotonou Agreement.

2.3. Payments

2.3.1. 2004

Reminder

In the November 2003 communication, the Commission and the EIB assumed a total of EUR 2 500 million for 2004, broken down as follows:

- EUR 260 million for the instruments managed by the EIB under the 9th EDF, and
- EUR 2 240 million for the instruments managed by the Commission (including old EIB instruments). The Commission considered this a cautious estimate.

State of implementation at 30 April 2004

- At 30 April 2004 the EIB had made payments of EUR 19 million.
- Since several Member States paid contributions for 2003 at the beginning of 2004, the Commission was able to disburse fairly early in 2004 the EUR 270 million put on hold at the end of 2003 owing to a lack of funds. These payments included an initial tranche of EUR 100 million for the World Bank's new HIPC (debt-relief) initiative. Adopted in the summer of 2003, this initiative totals EUR 460 million. By the end of April EUR 660 million had been paid out and projects totalling EUR 188 million appraised. This high rate of payments could leave the Commission short of cash before the summer.

Outlook for implementation to the end of 2004

- The EIB has revised its forecasts downwards, from EUR 260 million in October 2003 to EUR 168 million now (down EUR 92 million). Implementation of the new Investment Facility is slower than initially forecast. Of this EUR 168 million, EUR 163 million is earmarked for the Investment Facility and the remaining EUR 5 million for operations eligible for interest-rate subsidies.

- As last year, the Commission has been particularly careful when updating payment estimates. For each country, it has drawn up forecasts per project (commitment) and per contract (assigned funds). The new forecast results in a total for the Commission of EUR 2 455 million, which is EUR 215 million more than expected in October 2003. As regards the HIPC (debt-relief) initiative, an initial tranche of EUR 100 million has already been paid to the World Bank in January 2004, as pointed out above. The Commission is unable to say at this point whether a second tranche will need to be disbursed before the end of the year. Just in case, EUR 50 million has been reserved. Lastly, the Commission has earmarked EUR 10 million to cover start-up payments for the new Water Facility. The situation will be reassessed in the October 2004 communication.
- In total, the EIB and the Commission's revised needs amount to EUR 2 623 million, EUR 123 million more than was estimated in November (EUR 2 500 million).

2.3.2. 2005

For 2005 the forecast total is EUR 2 975 million, comprising:

- EUR 240 million for the EIB from the 9th EDF, EUR 6 million of it for interest-rate subsidies;
- EUR 2 735 million for the instruments traditionally managed by the Commission, including:

EUR 2 585 million for traditional instruments (including EIB instruments committed under previous EDFs) and

EUR 150 million from the first tranche of EUR 250 million granted by the Council from the Water Facility in March 2004 (preliminary estimate);

as for 2004, the Commission has yet to make any allocations under the Peace Facility because there is still no sign of practical operations.

Given that they concern a fairly long time frame, the figures must be treated with caution. This is particularly true of the Water Facility, which is still getting under way.

2.4. Calls for contributions scheduled for 2004 and 2005

The following table summarises financial forecasts for 2004 and 2005.

EUR million

	Commission Commission (incl. EIB 6th to 8th EDFs)	EIB (9th EDF)	TOTAL
Balance at 1 January 2004	82	68	150
Remaining balance of Member States' contributions for 2003	96	8	104
Contributions for 2004 paid by Member States before 31 December 2003	-1		-1
Member States' contributions for 2004	2 315	125	2 440
Interest/Other	5		5
Stabex transfer	10		10
Recoveries	50		50
Payments	-2 455	-168	-2 623
Balance at 31 December 2004	102	33	135
Member States' contributions for 2005	2 680	207	2 887
Interest/Other	5		5
Recoveries	50		50
Payments	-2 735	-240	-2 975
Balance at 31 December 2005	102	0	102

November's payment estimates have been revised upwards (by EUR 123 million), this increased volume can be implemented without increasing the financial contributions asked of the Member States (EUR 2 440 million). One reason for this is that the EIB ended 2003 with a relatively large cash surplus. This reduces the need for financial resources in 2004. Another reason is that the Commission has revised its cash balance at the end of 2004 downwards. This forecast suggests a cash balance of EUR 102 million, compared with the November 2003 estimate of EUR 173 million. This sum of EUR 102 million includes a reserve of several tens of millions of euro that the Commission is keeping in case any additional needs arise, e.g. under the Peace Facility, for which no provision has yet been made.

Though the total level of contributions for 2004 is unchanged, the amount payable to the Commission has increased (from EUR 2 180 million to EUR 2 315 million) at the expense of that payable to the EIB (EUR 125 million, compared with EUR 260 million).

A preliminary forecast of contributions for 2005 produces a figure of about EUR 2 900 million. The increase in (estimated) contributions over the period 2003 to 2005 is considerable (2003: EUR 2 200 million; 2004: EUR 2 440 million; 2005: EUR 2 900 million) and reflects the improving performance of the EDF.

2.5. Contributions to be paid by the Member States in the second and third tranches for 2004

Under Article 38 of the 9th EDF Financial Regulation - assuming all parties' respect the deadlines - the second tranche of contributions covers the period to 21 November 2004.

The EIB believes it has sufficient funds to cover this period and is not therefore seeking contributions from the second tranche.

The Commission's needs from the second tranche have, however, risen considerably. Going by the Commission's past payment rates, the upward revision of forecast payments for 2004 (from EUR 2 240 million to EUR 2 455 million) and the needs communicated by the EIB for the old EDF instruments (EUR 138 million), the Commission is asking the Member States for EUR 1 100 million for the second 2004 tranche. In total, the amount of the second call payable to the Commission has increased by EUR 290 million.

As for the final tranche, the EIB, on the basis of the information currently available to it, does not believe it will need funds. The Commission expects to need the balance of the EUR 2 315 million, namely EUR 490 million. The Commission and the EIB will reassess the situation in October and, if need be, adjust their position in the light of developments.

The following table summarises the position as set out in November's communication and the revised figures. The table in Annex 2 sets out the amounts per Member State.

Tranches of contributions paid or payable by the Member States to the EIB and the Commission in 2004

EUR million

	PRO MEMORIA November 2003 communication			REVISED FIGURES		
	EIB	Commission	TOTAL	EIB	Commission	TOTAL
Tranche 1 (already paid)	125	725	850	125	725	850
Tranche 2 (proposed)	95	810	905	0	1 100	1 100
Tranche 3 (estimated)	40	645	685	0	490	490
Total	260	2 180	2 440	125	2 315	2 440

ABBREVIATIONS AND ACRONYMS

ACP.....	African, Caribbean and Pacific States.
CDE.....	Centre for the Development of Enterprise
CTA.....	Technical Centre for Agricultural and Rural Development
EDF.....	European Development Fund
EIB.....	European Investment Bank
HIPC.....	Highly indebted poor countries
JPA.....	Joint Parliamentary Assembly
NIP.....	National Indicative Programme
OCT.....	Overseas Countries and Territories
RIP.....	Regional indicative programme
TA.....	Technical assistance

Consolidated figures for the EDFs for the ACP countries and OCTs at 31 December 2003

I.- Previous EDFs (6th, 7th and 8th)	Allocations			Commitments	Contracts	Payments
	Situation at 1 April 2003	Transfers since 1 April 2003	Total			
National/OCT indicative programmes	14 114 439 016	-1 260 648 359	12 853 790 656	12 853 790 656	10 757 900 768	9 274 536 362
National transitional measures						
9th EDF	1 200 000 000	-392 791 000	807 209 000	807 209 000	362 714 954	199 874 808
Regional cooperation						
9th EDF regional (transitional measures)	3 907 176 454	-404 737 835	3 502 438 618	3 502 438 618	2 881 431 453	2 422 511 251
9th EDF intra-ACP (transitional measures)	25 000 000	-16 500 000	8 500 000	8 500 000	0	0
Interest-rate subsidies	60 000 000	0	60 000 000	60 000 000	60 000 000	60 000 000
Risk capital	486 578 492	-67 118 716	419 459 776	419 459 776	419 459 776	341 920 904
Structural adjustment facility	2 790 000 000	-182 924 338	2 607 075 662	2 607 075 662	2 490 019 006	1 993 819 150
Emergency assistance	2 807 386 345	-45 269 059	2 762 117 286	2 762 117 286	2 668 892 141	2 543 854 170
Aid for refugees	730 223 839	-3 246 857	726 976 982	726 976 982	724 676 390	718 128 267
Stabex	302 052 831	-2 272 678	299 780 154	299 780 154	280 004 284	235 963 610
Sysmin	3 824 093 431	-5 620 519	3 818 472 912	3 818 472 912	3 806 307 060	3 615 325 526
Use of interest	734 693 853	-22 596 471	712 097 382	712 097 382	584 270 832	535 839 633
Transfers from the previous EDFs	38 150 000	0	38 150 000	38 150 000	26 782 367	13 475 195
Debt relief	539 340 669	-94 813 225	444 527 445	444 527 445	407 842 359	380 424 723
General contingencies	1 225 000 000	-125 000 000	1 100 000 000	1 100 000 000	1 100 000 000	1 100 000 000
Total	28 396 985	-28 396 985	0	0	0	0
Miscellaneous revenue	32 812 531 914	-2 651 936 042	30 160 595 872	30 160 595 872	26 570 301 389	23 435 673 598
Total	32 177 989	-32 177 989	0			
Total	32 844 709 904	-2 684 114 032	30 160 595 872	30 160 595 872	26 570 301 389	23 435 673 598
			30 160 595 872	30 160 595 872	26 570 301 389	23 435 673 598
II - 9th EDF	Allocations			Commitments	Contracts	Payments
	Situation at 1 April 2003	Transfers since 1 April 2003	Total			
National/individual OCT allocations	8 650 300 000	1 703 183 544	10 353 483 544	2 064 059 870	592 904 290	105 448 451
CDE, CTA and JPA	164 000 000	-99 101 000	64 899 000	37 878 000	0	0
Long-term development reserve	401 850 000	-107 088 157	294 761 843	0	0	0
Intra-ACP co-operation	300 000 000	1 135 707 733	1 435 707 733	759 798 156	374 378 870	170 354 827
Other regional co-operation	651 000 000	288 989 549	939 989 549	169 055 476	7 489 677	1 600 441
Reserve for regional cooperation	261 000 000	-261 000 000	0	0	0	0
Studies and TA for OCTs	2 000 000	0	2 000 000	652 157	449 926	251 356
Cost of implementation	125 000 000	0	125 000 000	125 000 000	124 538	2 659
Miscellaneous revenue	0	32 216 776	32 216 776	0	0	0
Total	10 555 150 000	2 692 908 445	13 248 058 445	3 156 443 659	975 347 301	277 657 734
PM: Funds managed by the EIB						
- Interest-rate subsidies	187 850 000		187 850 000			
- Investment Facility	2 057 000 000		2 057 000 000			
Total for the 9th EDF	12 800 000 000		15 492 908 445			

III - Consolidated position	Allocations			Commitments	Contracts	Payments
	Situation at 1 April 2003	Transfers since 1 April 2003	Total			
National/OCT allocations	23 964 739 016	49 744 185	24 014 483 200	15 725 059 526	11 713 520 012	9 579 859 620
CDE, CTA and JPA	164 000 000	-99 101 000	64 899 000	37 878 000	0	0
<i>Long-term development reserve</i>	<i>401 850 000</i>	<i>-107 088 157</i>	<i>294 761 843</i>	<i>0</i>	<i>0</i>	<i>0</i>
Regional co-operation	5 204 176 454	742 459 447	5 946 635 900	4 499 792 250	3 323 300 000	2 654 466 520
Interest-rate subsidies (6th to 8th EDFs)	486 578 492	-67 118 716	419 459 776	419 459 776	419 459 776	341 920 904
Risk capital (6th to 8th EDFs)	2 790 000 000	-182 924 338	2 607 075 662	2 607 075 662	2 490 019 006	1 993 819 150
Structural adjustment facility	2 807 386 345	-45 269 059	2 762 117 286	2 762 117 286	2 668 892 141	2 543 854 170
Emergency aid	730 223 839	-3 246 857	726 976 982	726 976 982	724 676 390	718 128 267
Aid for refugees	302 052 831	-2 272 678	299 780 154	299 780 154	280 004 284	235 963 610
Stabex	3 824 093 431	-5 620 519	3 818 472 912	3 818 472 912	3 806 307 060	3 615 325 526
Sysmin	734 693 853	-22 596 471	712 097 382	712 097 382	584 270 832	535 839 633
Use of interest	38 150 000	0	38 150 000	38 150 000	26 782 367	13 475 195
Transfers from 1st to 5th EDFs	539 340 669	-94 813 225	444 527 445	444 527 445	407 842 359	380 424 723
Debt relief (7th and 8th EDFs)	1 225 000 000	-125 000 000	1 100 000 000	1 100 000 000	1 100 000 000	1 100 000 000
Studies and TA for OCTs	2 000 000	0	2 000 000	652 157	449 926	251 356
<i>General contingencies</i>	<i>28 396 985</i>	<i>-28 396 985</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Cost of implementation	125 000 000	0	125 000 000	125 000 000	124 538	2 659
Miscellaneous revenue	32 177 989	38 787	32 216 776	0	0	0
Total	43 399 859 904	8 794 413(*)	43 408 654 317	33 317 039 530	27 545 648 689	23 713 331 332
	(*): The net increase of EUR 8 794 413 results from interest.					
PM: Funds managed by the EIB						
<i>- Interest-rate subsidies</i>	<i>187 850 000</i>		<i>187 850 000</i>			
<i>- Investment Facility</i>	<i>2 057 000 000</i>		<i>2 057 000 000</i>			
Total for the 6th, 7th, 8th and 9th EDFs	45 644 709 904		45 653 504 317			

CONTRIBUTIONS TO THE EDF FOR 2004 (in euro)

COUNTRY	SCALE	1st tranche		2nd tranche		3rd tranche		TOTAL
	8th EDF %	paid to EIB	paid to Commission	payable to EIB	payable to Commission	payable to EIB	payable to Commission	
Germany	23.36	29 200 000	169 360 000	0	256 960 000	0	114 464 000	569 984 000
Belgium	3.92	4 900 000	28 420 000	0	43 120 000	0	19 208 000	95 648 000
Denmark	2.14	2 675 000	15 515 000	0	23 540 000	0	10 486 000	52 216 000
Spain	5.84	7 300 000	42 340 000	0	64 240 000	0	28 616 000	142 496 000
France	24.30	30 375 000	176 175 000	0	267 300 000	0	119 070 000	592 920 000
Greece	1.25	1 562 500	9 062 500	0	13 750 000	0	6 125 000	30 500 000
Ireland	0.62	775 000	4 495 000	0	6 820 000	0	3 038 000	15 128 000
Italy	12.54	15 675 000	90 915 000	0	137 940 000	0	61 446 000	305 976 000
Luxembourg	0.29	362 500	2 102 500	0	3 190 000	0	1 421 000	7 076 000
Netherlands	5.22	6 525 000	37 845 000	0	57 420 000	0	25 578 000	127 368 000
Portugal	0.97	1 212 500	7 032 500	0	10 670 000	0	4 753 000	23 668 000
United Kingdom	12.69	15 862 500	92 002 500	0	139 590 000	0	62 181 000	309 636 000
Austria	2.65	3 312 500	19 212 500	0	29 150 000	0	12 985 000	64 660 000
Finland	1.48	1 850 000	10 730 000	0	16 280 000	0	7 252 000	36 112 000
Sweden	2.73	3 412 500	19 792 500	0	30 030 000	0	13 377 000	66 612 000
TOTAL	100.00	125 000 000¹	725 000 000	0	1 100 000 000	0	490 000 000	2 440 000 000

¹ Including EUR 5 million in interest-rate subsidies.